

# **Task Force on Compensation of Child Care Providers**

## **Final Report**

*October, 1996*



**Working Together For Children**

*State of Maryland*  
*Parris N. Glendening, Governor*  
*Kathleen Kennedy-Townsend, Lt. Governor*  
*Linda S. Thompson, DrPH, Special Secretary*

# **Task Force on Compensation of Child Care Providers**

## **FINAL REPORT**

**Submitted by:**  
**Linda S. Thompson, DrPH, Task Force Chair**

**State of Maryland**

*Parris N. Glendening, Governor*

*Kathleen Kennedy-Townsend, Lt. Governor*

## TABLE OF CONTENTS

TRANSMITTAL LETTER .....	ii
TASK FORCE MEMBERSHIP .....	iii
EXECUTIVE SUMMARY .....	iv
Charge To The Committee .....	v
The Problem .....	vi
Recommendations .....	vii
ISSUES RELATING TO CHILD CARE PROVIDER COMPENSATION .....	1
APPENDICES .....	18
A: Task Force Meeting Dates .....	19
B: Task Force Workgroups, <i>membership and meeting dates</i> .....	20
C: Annotated Code of Maryland .....	22



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Placing The Needs Of  
**Children &  
FAMILIES**  
— FIRST —

PARRIS N. GLENDENING  
Governor

KATHLEEN KENNEDY TOWNSEND  
Lieutenant Governor

LINDA S. THOMPSON, Special Secretary  
Children, Youth, and Families

December 18, 1996

The Honorable Parris N. Glendening  
Governor of Maryland  
State House  
Annapolis, Maryland 21401

Dear Governor:

On behalf of the Task Force on Compensation of Child Care Providers, I am honored to present the Final Report of the Task Force. As Chair, I would like to thank the Maryland General Assembly for giving the Task Force the opportunity to examine the complex issues regarding the compensation of child care providers. The specific recommendations listed in the Report offer an Action Plan for Maryland. These recommendations would improve the quality of child care and enhance the child care profession. In order to achieve better outcomes for Maryland's children, it is necessary to support a child care industry of highly-trained and well-paid professionals, who are dedicated to caring for children, who seek career advancement within their profession, and who are adequately compensated.

The members of the Task Force were vigilant in their resolve to offer solutions to critical issues facing children, families, and the child care profession and Maryland's economy. Members participated both at meetings and in workgroups, offering their time and expertise to complete the work of the Task Force. I thank them for their tireless efforts.

While the work of the Task Force is complete, more needs to be done. By joining together, at the state and community level, through public/private partnerships, and with child care professionals, parents, and advocates, we will be able to make a difference in Maryland.

Sincerely

Linda S. Thompson, DrPH  
Special Secretary  
Governor's Office for Children, Youth, and Families



<p align="center"><b>Task Force on Compensation of Child Care Providers</b>  <b>MEMBERSHIP</b></p>
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<u>Name</u>	<u>Representing</u>
John R. Allen, III	Maryland Congress of Parents & Teachers, Inc.
Emily Beardsley-Edwards	Prekindergarten
Joan Case	Department of Business & Economic Development
Lynda Fox	Department of Human Resources
Teresa French	Family Support Center
Rolf Grafwallner	Maryland State Department of Education
Harriet Highsmith	Department of Health & Mental Hygiene
Mary Hyman	Loyola College in Maryland
Vicki Kaneko	Maryland Association of the Education of Young Children
Nancy Kramer	Non-Public Cooperative School
Donna Krause	Maryland Child Care Association
Deborah Moore	Maryland Family Day Care Association
Kay Mullican	Maryland Head Start Association
Delegate Carol Petzold	Maryland House of Delegates
Kim Plascjak	Local Government with Completed Study of Related Issues
Lori Rogovin	Maryland Committee for Children
Steve Rohde	Maryland Committee for Children
Barbara Tayman	Department of Human Resources
Linda Thompson, DrPH	Governor's Office for Children, Youth, and Families
Monique White	Advocates for Children & Youth

## Executive Summary

*Child care, as an institution and as a profession, has become an integral part of our society. With the ever-increasing number of children cared for outside of the home, the early development of children depends largely on the quality of care they receive from child care professionals. Enriching early childhood care is essential in preparing children to learn and grow into healthy, happy, and productive members of society. According to the National Child Care Staffing Study, "the quality of care children receive is directly linked to the wages, status, and working conditions of their providers." Unfortunately, the compensation that these child care professionals receive for their important work is minimal. The wages of child care professionals constitute 65-80% of the operating budget of most group child care centers, creating a relatively direct flow from the parents' pocketbooks to the child care provider. This means that the cost of child care, which is often too high for parents, is simultaneously too low to compensate child professionals adequately. This lack of financial resources to support this vital profession hurts the quality of child care in Maryland. This crisis calls for a commitment from the statewide community to support the child care profession in order to ensure quality early childhood care for every young child in the state. To create this commitment, parents must be educated about the importance and indicators of quality child care while leaders in the public and private sectors must appreciate the key role that quality child care plays in the economic health of Maryland.*

There is a growing concern about the quality of child care and the child care profession throughout the country and in Maryland. In response to this concern, the Maryland General Assembly created the Task Force on the Compensation of Child Care Providers in 1994. Governor Parris N. Glendening appointed Linda Thompson, DrPH, Special Secretary of the Office for Children, Youth, and Families, as chair of the Task Force, which was composed of 21 members representing state agencies, advocacy groups, the Maryland Child Care Resource Network, local government, two and four-year colleges, Head Start, parents and consumers, nonpublic cooperative schools, family and center child care associations, the Maryland House of Delegates and the Maryland Senate.

## Charge to the Committee

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The Task Force was charged with the following responsibilities:

1. *To study available information on:*

- barriers and solutions to improving the salary and compensation levels of licensed child care professionals;
- methods to educate parents on the need to have licensed child care providers;
- the amount the State pays to purchase care for eligible children; and
- the compensation levels of employees of child care centers and family homes, including child care workers, assistants, teachers, and directors;

2. *To review current State and Federal policies that support adequate compensation of child care providers;*

3. *To make recommendations to the General Assembly and*

4. *To prepare and submit to the Governor a report summarizing its findings and recommendations.*

The Task Force met for the first time on July 27, 1995 and developed a strategy for action. The strategy included quarterly meetings of the full Task Force. To address the legislative mandate and to conduct its work in a comprehensive manner, the Task Force appointed the following committees:

- Barriers and Solutions to Improving the Salaries and Compensation Levels of Licensed Child Care Providers
- Methods to Educate Parents/Public on the Need to Have Licensed Child Care
- The Amount the State Pays to Purchase Care for Eligible Children
- Current State and Federal Policies to Support Adequate Compensation of Child Care Providers

Each committee had an appointed chair. Committee membership included Task Force members and other interested and qualified persons. They identified specific tasks and met regularly, reporting back to the full Task Force at its quarterly meetings. Recommendations from each of the committees were synthesized into the recommendations listed in this Final Report. The recommendations reflect the vision of Task Force and committee members to ensure quality in child care.

## The Problem

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### Families Need Child Care Services So They Can Work

The child care professional has become a more active and influential member of society as fewer parents can afford to remain at home with their children full-time. In 1990, over 66 percent of Maryland mothers with children under the age of six worked in the paid labor force. Nationwide during the same year, only one quarter of all families were headed by a wage-earning father and a mother who did not work.

### Child Care Has Become a Substantial Family Expense

The feasibility of employment for parents with children depends heavily on the cost of child care services. This is particularly true for low-income families. The national annual cost of child care is \$3,000 for preschoolers and \$4,803 for infants. In Maryland, child care is even more expensive, costing \$4,536 per year for preschoolers and \$6,263 per year for infants. Across the nation, child care costs constitute an average 10% of a family's budget. This is roughly equivalent to a family's food expenditures. Child care has clearly become a major expense for families in Maryland and throughout the nation.

### The Relationship Between the Cost of Child Care, the Quality of Child Care, and the Compensation of Child Care Professionals

The health, well-being, and early education of children, so closely tied to the future economic health and productivity of the nation, depends heavily on the quality of care they receive within and outside the home. The wages of child care professionals are the most consistent and significant predictor of quality care. The average annual salary for child care workers in a group center is \$11,000. Their salaries peak at \$15,000 a year even for those workers with advanced degrees. The lack of adequate salaries, benefits, and overall social status in the careers of caregivers creates a labor pool that is overworked, underpaid, and under-prepared for responsibilities associated with the job. The problem is the inherent conflict between providing *affordable* child care for working parents and *quality* child care for children. This conflict is the essence of the difficulties in providing adequate compensation to child care professionals.



## Recommendations of the Task Force

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To improve the compensation levels of child care professionals, the Task Force on the Compensation of Child Care Providers has fourteen recommendations. They are:

1. The state of Maryland, in the *State Plan for the Child Care Development Fund*, should continue to use Child Care Development Fund resources to support quality child care opportunities for working poor families.
2. *The State Plan for the Child Care Development Fund* should allocate a specified amount for programs that directly improve the compensation of child care professionals, provide quality improvements for child care programs, and create staff retention initiatives.
3. The Purchase of Care rates should be established at not less than the 75th percentile of current market rates. Rates should be reviewed annually and the Department of Human Resources budget appropriation increased as necessary to continue serving the same number of clients at current rates.
4. The Department of Human Resources should increase the number of absences paid by the Purchase of Care Program to seven (7) per month for each child. The Department should also consider increasing the number of paid holidays to ten (10) per year.
5. Both the General Assembly, through legislative resolution, and the Governor, through gubernatorial proclamation, should recognize and observe Maryland Child Care Provider Worthy Wage Day, as designated by the national Worthy Wage Campaign.
6. The General Assembly should review the Child Care Provider Scholarship Program and recommend changes that broaden the scope of educational programs supported by scholarship money; increase efforts to publicize the program; and create a user-friendly application process to increase utilization.
7. The public school systems and the early childhood community should build stronger linkages and coordinate their efforts to minimize the duplication of services, establish local policies with regard to transportation and use of school space, and develop comprehensive full day/full year services that meet the needs of the community.
8. Public-private partnerships should be created to develop and fund a public awareness and education campaign to emphasize that **Quality Child Care Isn't Expensive...It's Priceless!** Campaign themes should include messages concerning the relationship between experienced, well-trained, well-paid staff and quality in child care.

9. Statewide efforts to provide an array of collaborative, coordinated, and equitable early childhood programs, begun through other statewide workgroups and task forces, should be continued and should be coordinated by The Governor's Office for Children Youth and Families.
10. Statewide efforts should encourage the continuation of state (public/private) support for the development and implementation of a career development and training plan for child care/early childhood professionals.
11. A program that links individual levels of education with salary supplements, using a career ladder framework should be initiated. Incentives to institute and fund programs that link training, education, or quality to increased wages for child care professionals should be developed.
12. The Subcabinet should facilitate and create, through public-private partnerships, opportunities to:
  - Enable child care programs to access existing health insurance programs and benefits pools for non-insured child care professionals to minimize the cost of providing health coverage for staff;
  - Examine retirement programs and short and long term disability programs for enrollment by child care professionals; and
  - Encourage employers to support child care through family-friendly policies that support parents and enable children to participate in quality child care programs.
13. The business community should be mobilized to partner with public and private non-profit communities in order to:
  - Recognize and commit to the importance of child care and its impact on the workforce;
  - Create and fund an initiative that links the levels of education of child care professionals with their salary supplements;
  - Effect a long-term commitment to creating a funding mechanism that would directly support the compensation of child care professionals; and
  - Convene local workgroups to investigate tax and other business incentives that would contribute financially to child care expenses and support work/family initiatives.
14. Welfare Reform and the Family Investment Program should be tracked for its impact on child care in general and on the compensation of child care workers in particular.

## Issues Relating to Child Care Provider Compensation

### Families Need Child Care Services So They Can Work

Child care has become more important as fewer parents are at-home with their children full-time. Staying home and raising children has become a luxury as economic changes have necessitated both parents to enter the paid labor force. In 1990, only one quarter of all families were headed by a wage-earning father and a mother who did not work.<sup>1</sup> During 1990 in Maryland, over 66 percent of mothers with children under the age of six worked in the paid labor force and 61 percent of Maryland children under the age of twelve had mothers in the paid work force.<sup>2</sup>

A second component of the growing need for child care services is the rise in single parent families. According to the 1990 census, one in four children live in single parent homes.<sup>3</sup> In Maryland, 23 percent of children are being raised by single parents.<sup>4</sup>

### The Economics of Child Care

Child care is a substantial family expense. This is particularly true for low-income families. The national, annual cost of child care is \$3,000 for preschoolers and \$4,803 for infants.<sup>5</sup> In Maryland, child care is even more expensive, costing \$4,536 per year for preschoolers and \$6,263 per year for infants.<sup>6</sup> More important than the absolute cost of child care, however, is child care expenditures as a percentage of income. Across the nation child care costs constitute an average 10 percent of a family's budget. This is roughly equivalent to a family's food expenditures.<sup>7</sup> Typically, families earning more than \$50,000 use only six percent of their income for child care expenses, while poor families earning less than \$15,000 sacrifice 22 percent to 25 percent of their earnings for child care services; a percentage comparable to family expenditures on housing.<sup>8</sup> In Maryland the average family spends 21 percent of their household income on child care services.<sup>9</sup> Child care has clearly become a major expense for families in Maryland and throughout the nation.

## **The Relationship Between the Compensation of Child Care Professionals, the Quality of Child Care and the Cost of Child Care.**

### *The Cost of Child Care*

The wages of child care professionals constitute between 65-80 percent of the operating budget of most group child care centers, creating a relatively direct flow from the parents' pocketbooks to the child care worker.<sup>10</sup> This means that the cost of child care, which is too high for parents, is simultaneously too low to compensate child professionals adequately. Almost every strategy to improve the quality of child care for children (increasing child care professionals' salaries, providing training, increasing provider/child ratios, decreasing group sizes, etc.) would raise the cost of child care services for parents. Inadequate client fees and limited state and federal funding present the child care industry with the task of providing "the most service to the most people for the least cost."<sup>11</sup> These limited resources have led to low salaries for child care professionals, high turnover rate in the child care profession, and, consequently, an unstable system that cares for millions of young children. The lack of adequate salaries, benefits, and overall social status in the career of caregivers creates a labor pool that is overworked, underpaid, and under-prepared for responsibilities associated with the job. The problem is the inherent conflict between providing *affordable* child care for working parents and *quality* child care for children. This conflict is the essence of the difficulties in providing adequate compensation to child care professionals.

### *The Compensation of Child Care Professionals*

The health, well-being, and early education of children, so closely tied to the future economic health and productivity of the nation, depends heavily on the quality of the care they receive within and outside of the home. The level of training of child care professionals is the most consistent and significant predictor of quality care, however, these levels are very low. In the United States, the average annual salary for child care workers in a group center is \$11,000 and their salaries peak at \$15,000 a year, even for those with advanced degrees.<sup>12</sup> In 1990, the average annual salary for regulated family child care providers was \$10,000 (half of these workers receive less than \$8,000) and the salaries of unregulated providers average only \$1,961 per year.<sup>13</sup>

In spite of the growth in demand for child care, the wages for child care professionals has remained constant and, adjusted for inflation, child care workers' wages actually fell 27 percent between 1977 and 1988.<sup>14</sup> The average salary levels for Maryland's child care professionals are as follows<sup>15</sup>:

- Public School Teacher Salary: \$39,808
- Nonpublic School Teacher: \$30,440
- Child Care Center Director: \$21,661
- Center Senior Staff/Teacher: \$14,831
- Family Child Care Provider: \$14,642
- Center Aide: \$11,568

Because of these minimal salaries, 70 percent of the national child care work force earned incomes below the poverty level in 1992.<sup>16</sup> Higher wages are not necessary just to insure higher quality care for children, but are also essential for the economic survival of child care professionals. The child care industry not only provides services for children and families, it also employs hundreds of thousands of people. The National Child Care Staffing Study reported that almost half of all child care providers contributed 50 percent or more to their family incomes and 10 percent of the staff were single mothers.<sup>17</sup> Because they can care for their children *and* earn money, child care is a prime job for single mothers and their numbers in the profession are growing.<sup>18</sup> The low wages of these child care professionals is an economic issue that affects both the economy today and the economy of the future.

Furthermore, the inadequate compensation for caregivers is not restricted to wages. Few employee benefits are available to child care workers. The National Child Care Staffing study reported that only a minority received annual salary increases, health care coverage, or long term financial stability.<sup>19</sup> The study found that half of the centers that offered health care in 1988 had reduced the health care coverage that they offered their employees in 1992.<sup>20</sup> The largest benefit offered to child care professionals is on-site, reduced-fee child care.

The poor salary conditions of the child care profession exist despite substantial evidence that better wages, better working conditions, job satisfaction, and opportunities for advancement are correlated with higher quality child care in the form of enriched caregiver-child interaction.

## *The Quality of Child Care*

The health, well-being, and early education of children, so closely tied to the future economic health and productivity of the nation, depends heavily on the quality of the care they receive within and outside of the home. The National Research Council has defined quality in child care as possessing two dimensions: the child's experience in care and the structure of the child care environment. The child's experience depends primarily on his or her interaction with the caregiver. The structure of the child care environment depends on what has been dubbed the "iron triangle" of (1) group size, (2) caregiver-child ratios, and (3) caregiver qualifications. In general, *small* group sizes, *low* child-caregiver ratios, and trained and educated caregivers are critical ingredients in producing quality caregiver-child interactions.

Larger groupings of children are associated with fewer positive patterns of interaction; children in groups with higher child-caregiver ratios have been found to engage in less talk and play behavior; and child-related training has been associated with more teaching, helping, and dramatic play, as well as less activity that did not involve interaction with children.<sup>21</sup> Adults with appropriate training increase children's verbal interactions, restrict children's activities less, punish less, provide safer environments and generally deliver better care.<sup>22</sup> Poor quality child care, on the other hand, not only stagnates the development of children, it damages it. Lower language and cognitive scores and lower ratings of social and emotional adjustment were found to be results of poor quality child care.<sup>23</sup>

While the structure of the child care environment is certainly important, quality child-caregiver interaction remains the foundation of quality care for children.<sup>24</sup> The National Association for the Education of Young Children (NAEYC) defines quality caregiver-child interaction in its criteria for child care accreditation:

- Staff interact frequently with children.
- Staff express respect for and affection toward children by smiling, holding, touching, and speaking to children at their eye level throughout the day.
- Staff are available and responsive to children; encourage them to share experiences, ideas, and feelings; and listen to them with attention and respect.<sup>25</sup>

Quality child care is almost entirely dependent upon the quality work of the child care professional. The stability and continuity of the caregiver-child

relationship are also important indicators of quality child care. Secure attachment, the result of caregiver continuity and rich interactions, is a crucial component of early development. Stable care results in positive, long-term development and better school adjustment in the first grade.<sup>26</sup> This relationship explains the importance of the child care professional's salary, benefits, and job conditions. Adequate wages, for example, help improve the developmental appropriateness of the child care workers' interactions with and expectations of the child, and have been linked to lower caregiver-child ratios.<sup>27</sup> Health benefits, merit increases and paid breaks also improve the care a child receives and career-committed staff have been found to interact in more stimulating ways with children.<sup>28</sup> In one study, paid preparation time was found to increase a preschool teacher's satisfaction with her salary, her supervisor, and her job overall.<sup>29</sup> The study concluded that child care workers were satisfied with the day-to-day qualities of their jobs: they felt challenged, they enjoyed their relationships with their colleagues, and they were content with overall working conditions. However, they were dissatisfied with their salaries, benefits, and social status. In the end, a large number of child care professionals simply can not afford to stay in the field.<sup>30</sup>

While the annual employee turnover rate for the nation is 12 percent, there is a 17.5 percent annual turnover rate in the child care profession, and in for-profit centers the annual turnover rate is even higher, with 39 percent of child care providers leaving each year.<sup>31</sup> This information is from the National Child Care Staffing Study, which found that only 30 percent of the staff studied in 1988 were in the same center in 1992. Demonstrating the relationship between compensation and staff turnover, the study found that child care professionals earning \$5.00 per hour or less left at a rate of 77 percent, compared to the 53 percent turnover rate of teaching staff earning over \$7.00 per hour. This large turnover rate in the child care industry threatens the stability and continuity of care, which is so vital to the relationship between a child and a child care professional.

Studies have found that high turn-over rates are negatively associated with the quality of child care and the healthy development of children.<sup>32</sup> In one study, staff turn-over resulted in a reduction of peer interaction and an increase in children's aimlessly wandering around.<sup>33</sup> A child's secure attachment and stable relationship with her caregiver, especially important for infants and toddlers, create warm and responsive interactions between the child and the child care professional, and result in more appropriate social behaviors in all children.<sup>34</sup> When child care professionals leave their positions in order to seek a better-paying job, these

relationships are severed. As one report poignantly stated: "When infants lose a caregiver, they really lose a sense of themselves and of the way things work."<sup>35</sup> Parents also react negatively to the loss of their child's caregiver. A study of welfare mothers' satisfaction with their child care found that a high staff turn-over rate was one of the strongest indicators of low satisfaction with their child care.<sup>36</sup> A study of the Swedish modern family found that the turn-over rate of caregivers was one of the largest public concerns about the effects of day care on children.<sup>37</sup>

In Maryland, as in all states, the quality of child care is regulated through licensing. Standards for licensing and regulation of both center-based and family-based child care are monitored by the Department of Human Resources' Child Care Administration (CCA). For the past four years, Maryland has been recognized by *Working Mother* magazine (June, 1996) as one of the ten best states for child care. Most noted were the state's low caregiver-child ratios and the impressive work of the Maryland Child Care Resource Network of the Maryland Committee for Children.

Quality child care serves as a crucial stepping stone in the intellectual, emotional and social development of children, and as such is an invaluable part of our society's educational and social service systems. Quality child care is also an important way of intervening early in the lives of children. By enriching the development of young children, quality child care can prevent problems like juvenile crime, illiteracy, low levels of educational attainment, and the absence of a well-trained work force. Guaranteeing quality and stability in child care involves a societal investment in the child care industry. Good, sound child care is inextricably tied to the compensation that child care professionals receive for their important work.

### **The Need for Parent and Public Awareness**

Society has failed to invest adequately in quality child care partly because of a lack of understanding and respect for the importance of caring for children. A part of this problem is the categorization of child care as traditionally women's work. 97 percent of child care providers are women and one third are women of color. The low wages in the child care field partially reflect society's lack of respect for these groups of people. While child care workers are more educated than the average woman in the workforce, they earn less than half of comparably educated women's salaries and only one-third of the earnings of comparably educated men.<sup>38</sup> Their



wages are diminished not only by the fact that working women in any field receive substantially less than the men in the same occupation, but also because of the lower status of their work.

The idea that early childhood professionals are just baby-sitters is pervasive.<sup>39</sup> Parents, and the public in general, fail to realize the importance of the child care worker as a professional who is responsible for the health, welfare, and education of children and who provides a social support for employed parents.<sup>40</sup> This lack of awareness has created a society in which the responsibilities for providing the moral, emotional, and physical upbringing of our children are housed in a consumer system funded by uneducated and uninformed shoppers.

Quite often parents make child care choices based on cost and convenience, with little knowledge of the factors that contribute to quality child care or the benefits of quality care and the detriments of inadequate or poor care. Furthermore, as Marcy Whitebook of NAEYC points out, "child care is something families have not traditionally paid for. We don't think of it as skilled work that we want to pay for."<sup>41</sup> Parents often assume child care providers are well paid because child care is so expensive, but they fail to realize that the cost of child care, which is such a large part of their income, is inadequate to cover the costs of quality care.

A survey of American families with preschool children found that most parents tend to look for child care providers who are "affectionate and warm," "devoted and conscientious," and who "understand and like children".<sup>42</sup> Unfortunately, our society tends to view these characteristics as personality traits that are instinctual, rather than as professional qualities that require education, training and competence. In another study, parents commonly responded that they didn't know whether their provider possessed early childhood education or training.<sup>43</sup> Because parents are the main source of a caregiver's income, it is essential that they acknowledge and respect the importance of education, training, and adequate compensation in the child care profession.

There is a widespread recognition of the significant role that an educated, trained, licensed/registered child care professional has on a child's long term social, emotional, and cognitive development. But, quality child care costs! Many parents know what the components of quality care are, but are unable to afford the cost of quality care. Other parents need guidance in selecting quality care. Additionally, many communities do not have adequate care available and lack the resources to support quality child care.

Public awareness and public education are necessary to educate parents and the public on the importance of having affordable, available, and high quality child care in communities. A statewide awareness plan would emphasize the need to provide, use, and support licensed/registered quality child care. It would help parents and the general public understand that:

- Licensed/registered quality child care results in safe, healthy children who are ready for school.
- The wages of child care workers are below all professional and service workers' wages nationwide despite the critical nature of quality child care.
- Employers need to play a role in helping employees balance work/family responsibilities.
- Child care is a community need and requires community based solutions.
- Greater responsibility on the part of parents, the business community, and the early childhood community will strengthen Maryland's commitment to quality child care.
- Services to and support of children and families is critical to enable families to be economically self sufficient.

A public awareness plan would build partnerships with communities to ensure effective, coordinated, outcome-based, and family-oriented services that emphasize prevention and early intervention and are culturally responsive to the needs, strengths, and priorities of families and communities. Child care information would be comprehensively developed utilizing existing proven public awareness strategies, such as the Lieutenant Governor's Task Force on Youth Citizenship and Violence Prevention, and disseminated to support the efforts of Local Management Boards. Information would be disseminated to diverse groups, including parents and potential child care consumers, as well as child care center and family providers, training institutions and personnel, professional associations, advocates, libraries, local agencies and State departments, the business community, civic and social groups, and churches and synagogues.

## The Role of Child Care Providers in Creating a Profession

In order to create a strong and respected profession, it is important that child care professionals organize and advocate on behalf of their work and role in society. Relatively few child care providers in the United States, however, belong to any related organization and this lack of cohesion has been a barrier to improving the viability of the profession. There are the obvious benefits of professional association: higher commitment, more training, a sharing of ideas, and the creation of a power-base for advocacy purposes. Child care is also a field where many professionals, mostly family day-home providers, tend to work alone. Family child care providers suffer more stress from the isolation of their workplace. Conversely, child care centers and preschools offer more peer group socialization and support than family day homes because of the daily contact with other child care workers.<sup>44</sup> Training and support groups also provide relief from stress for caregivers. Membership in child care associations provides the benefits of peer learning and offers sponsored training.<sup>45</sup> In a study of Texas family child care providers, the 20 percent who were members of local or state associations were found to have fewer noncompliance with licensing standards than non-members.<sup>46</sup>

Associations provide the most unified voice and are the most active in lobbying for effective policies for children and child care workers. Child care associations, such as the National Association for the Education of Young Children, the National Association for Family Child Care Providers, and the National Center for the Early Childhood Workforce (NCECWF, formerly the Child Care Employee Project) also offer leadership and advocacy training for child care workers.<sup>47</sup> NCECWF educates workers of their rights and helps parents understand the true cost of child care by publicizing results of its National Child Care Staffing Studies. The project was organized to upgrade the compensation and training of providers and serves as the national coordinator for the Worthy Wage Campaign. The Worthy Wage Campaign is an attempt to improve the profession of child care by setting a minimum wage of \$10 per hour for workers, providing comprehensive health coverage to all caregivers and offering loan forgiveness and grants to workers wishing to return to school. They aim to accomplish these goals through higher reimbursement rates that companies offer to parents, increased government assistance to parents, and reformed child care tax credits. Their advocacy strategies include educating parents and policy makers by closing child care for one day to emphasize the importance of the service they offer. The NCECWF has had some

success in California where the state minimum wage was increased and a teacher loan assumption program was established.<sup>48</sup>

### *Maryland's Child Care Associations*

Maryland child care professionals are represented by the Maryland Child Care Association, the Maryland State Family Child Care Association, and the Maryland Association for the Education of Young Children. These organizations are important resources for child care professionals, offering trainings and a sense of unity to the profession. These associations have also been strong advocates for young children and the child care profession in Maryland.

### **Current State and Federal Programs which Support Compensation**

Although there is no one program, in Maryland or at the federal level, designed solely to improve the compensation of child care professionals, there are a few programs that focus on improving the profession of child care. Most notably there is the Child Care Tuition Assistance Program (CCTAP) in Maryland and the federal Child Care Development Fund (CCDF).

### *Maryland's Child Care Tuition Assistance Program*

The Child Care Tuition Assistance Program, administered by the Maryland Higher Education Commission, offers tuition loans to child care professionals who are pursuing an A.A. Degree, B.A. Degree, or Child Development Associate (CDA) certification. The maximum loan is \$2,000 per year for four years. Furthermore, loan repayment can be waived each year the child care professional works in a child care center or as a registered family child care provider. This financial incentive encourages providers to grow professionally, encourages the retention of child care professionals, and supplements the income of child care professionals.

### *The Child Care and Development Block Grant*

The purpose of the federal Child Care and Development Block Grant (CCDBG) has been "to increase availability and affordability of child care for low-income families, as well as to help states provide, expand, and improve the quality

of child care for all families."<sup>49</sup> The target population is families earning at or below 75 percent of their state's median income, and the goal is to enable them to work and prevent them from needing public assistance. States are awarded the block grant based on a formula. In FFY 1996, the Maryland Child Care and Development Block Grant was \$12.3 million.

Five percent of CCDBG funds must be spent on quality improvement initiatives.\* The quality improvement activities allowed by CCDBG are: (1) establishing or improving resource and referral services, (2) providing grants or loans to help providers meet state and local standards, (3) monitoring compliance with licensing and regulatory requirements, (4) providing training for child care providers, and (5) *improving the salaries and benefits of child care providers funded by CCDBG moneys.* (emphasis added)

Examples of how states have used CCDBG quality money include training programs for child caregivers, career development efforts that link training with compensation programs, resource vans, scholarships for child care providers, and data collection and research efforts. Training programs, one of the most prevalent uses of CCDBG quality money, are usually designed to meet training requirements set in state regulations, to recruit new providers, to help providers meet licensing standards, or to meet accreditation standards.<sup>50</sup> Training programs improve the quality of child care and strengthen the professionalism of the child care industry. However, training hours and credits rarely lead to increased salaries for child care professionals, so there is little incentive to participate in training activities that are not required to meet child care licensing standards. Some states have been successful in linking training with improved compensation.

### *Programs in Other States*

Other states have developed programs that are designed to increase the compensation levels of child care professionals. For example, Maine, Massachusetts, New York, and Pennsylvania established salary enhancement grant programs for child care professionals.<sup>51</sup> The appropriations for these grant programs range from \$12 million in New York to \$800,000 in Maine. Montana and

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\* Beginning in FFY 1997, 4% of the new CCDF must be spent on activities to provide comprehensive consumer education, activities that increase parental choice, and activities designed to improve the quality and availability of child care (such as resource and referral services).

North Carolina created programs that link compensation with training and career development. North Carolina's T.E.A.C.H. program (Teacher Education and Compensation Helps) reimburses child care providers for tuition, books, and travel.

The state also helps the center or home provider pay for substitute caregivers while the provider is at school. While the child care provider is in school, he or she receives a four to five percent raise, or comparable bonus, and then a three percent raise upon returning to work full-time. The child care provider must work at the sponsoring center that helped support her/his education for at least one year. Montana has also linked training with compensation by establishing the Child Care Provider Merit Pay Awards, which gives \$250 for practitioners who attend 60 hours or more of pre-approved training in a 12 month period. Most of these programs are financed through a combination of Child Care and Development Block Grant money and state money.

### **The Role of Purchase of Care Rates**

The compensation of many child care professionals is affected by the rate that the state sets to purchase subsidized child care. The Purchase of Care program (POC) pays providers to care for children in eligible families while parents attend school, work, or participate in training programs. The federal regulations attached to many of these child care subsidies mandate that the state reimburse the child care providers for their services at a rate not to exceed the 75th percentile of the market rate for child care. Currently, Maryland reimburses providers at the 75th percentile market rate. These low reimbursement rates exacerbate the already low wages of child care professionals and threaten the quality of care.

## Conclusion

The National Research Council's Committee on Child Development Research and Public Policy (NRC) has outlined three major objectives of child care policy. They are:

- to promote the health and well-being of children;
- to enhance the employability of their parents; and
- to improve the economic health and productivity of the nation at large.

Child care, as an industry, has become an important part of children's daily experience and, therefore, is crucial to their healthy development, and ultimately to the health of the American workforce. The child care profession, as the foundation of the child care industry, is a key component in preparing young children for productive and successful learning in school and throughout their lives. The Carnegie Foundation's report, *Starting Points*, which calls for a larger investment in the profession of child care, states:

*Just as with public education and health care, the costs of child care services must be valued as a public good that must be partially subsidized by government and industry.<sup>52</sup>*

The support and investment needed to improve the profession of child care cannot happen without a restructuring of our values concerning children and the responsibility of the whole society to be a part of their care and well-being. There are a variety of strategies that would improve the quality of child care through the betterment of the child care profession. The overarching and obvious goal is to create a child care industry comprising well-trained and well-paid professionals who are committed to caring for children, who see a future in their jobs and a career ladder in their profession, and who feel respected. This ambitious goal requires the time, resources, and commitment of the whole society. Particularly, child care providers need to lobby on behalf of their important work and join together to create a unified profession. Parents and the public in general need to understand the importance of quality child care and the value of the child care professional. And, finally, all members of the public and private sectors must work together in order to pool their resources to support a healthy and quality child care industry.

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## Notes

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- 3 *Starting Points: Meeting the Needs of Our Youngest Children*, The Report of the Carnegie Task Force on Meeting the Needs of Young Children. (Carnegie Corporation of New York: April, 1994), p.14.
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- 6 MCCRN, p. 4.
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- 16 *Child Care Jobs Should Pay a Worthy Wage*. Oakland, CA: Child Care Employee Project, 1992.
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- 23 Scarr, Sandra, and Marlene Eisenberg. "Child Care Research: Issues, Perspectives and Results." *Annual Review of Psychology*. 44 (1993), pp. 613-644.
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- 25 National Association for the Education of Young Children, *Accreditation Criteria and Procedures of the National Academy of Early Childhood Programs*, (Washington, DC., 1984), p. 8. [The National Association for the Education of Young Children developed its criteria on the basis of an extensive review of research, approximately 50 evaluation documents, and the judgment of 175 early childhood specialists.]
- 26 Howes, Carolee, "Attachment and child care: Relationships with mother and caregiver," *Early Childhood Research Quarterly*, vol. 3 (1988), pp. 403-416; and "Relationships between early child care and schooling," *Developmental Psychology*, vol. 24 (1988), pp. 53-57.
- 27 Phillips, pp. 49-70.
- 28 IBID.
- 29 IBID.
- 30 IBID.
- 31 Starting Points, p. 54; and USACIR, p. 12  
In general, for-profit centers provide lower quality care. For instance, caregivers in non-profit centers had more formal education and more experience than caregivers in for-profit centers and 20% of their salaries were in the highest range for child care workers; while only 4% of for-profit centers had workers earning salaries in this range. Most importantly for child care workers, 75% of expenditures for non-profit centers were spent on staff salary and benefits, while for-profit centers allocated only 57% of their expenditures for staff. (study by Sharon L. Kagan, 1991)
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52 *Starting Points: ...*

## APPENDICES

**APPENDIX A**

**Task Force on Compensation of Child Care Providers  
MEETING DATES**

**July 27, 1995**

**October 12, 1995**

**February 23, 1996**

**April 10, 1996**

**June 12, 1996**

**Meetings were held at:**

**Governor's Office for Children, Youth, and Families (GOCYF)  
301 W. Preston Street  
Baltimore, MD 21201**

## **APPENDIX B**

### **Task Force on Compensation of Child Care Providers Workgroups**

#### **Workgroup #1 - Barriers and Solutions to Improving the Salaries and Compensation Levels of Licensed Child Care providers**

##### **Membership**

<i>John R. Allen, Chair</i>	Vickie Kaneko
Joan Case	Nancy Kramer
Sheilah Davidson	Donna Krause
Mary Hyman	Kay Mullican
	Steve Rohde

##### **Meetings**

August 21, 1995  
September 25, 1995  
November 30, 1995  
December 4, 1995  
March 27, 1996  
April 4, 1996  
May 2, 1996

#### **Workgroup #2 - Methods to Educate Parents/Public on the Need to Have Licensed Child Care**

##### **Membership**

<i>Monique White, Chair</i>	
Emily Edwards	Kim Plascjak
Harriet Highsmith	Steve Rohde
Paula Johnson	Price Shuler
Debbie Moore	Cecelia Tilghman
Jerry Perry	Carol Walsh

##### **Meetings**

August 16, 1995  
September 20, 1995  
November 17, 1995  
December 11, 1995  
February 5, 1996  
March 18, 1996

#### **Workgroup #3 - The Amount the State Pays to Purchase Care for eEligible Children**

##### **Membership**

<i>Barbara Tayman, Chair</i>	
Brenda Dean	Donna Krause
Emily Edwards	Dennis Rohde
Lynda Fox	Edward Young
Rolf Grafwallner	

##### **Meetings**

August 16, 1995  
December 7, 1995  
February 5 1996

**Workgroup #4 - Current State and Federal Policies to Support Adequate  
Compensation of Child Care Providers**

Membership

Lori Rogovin, Chair  
Rolf Grafwallner  
Vickie Kaneko  
Donna Krause

Delegate Carol Petzold  
John Surr

Meetings

September 7, 1995  
September 28, 1995  
November 7, 1995  
December 12, 1995

### § 5-585.1. Task Force on the Compensation of Child Care Providers.

(a) *Established.* — There is a Task Force on the Compensation of Child Care Providers.

(b) *Composition.* — The Task Force shall be composed of:

(1) one member of the House of Delegates, appointed by the Speaker of the House;

(2) one member of the Senate of Maryland, appointed by the President of the Senate; and

(3) 21 members appointed by the Governor, as follows:

(i) one representative of the Governor's Office of Children, Youth, and Families;

(ii) one representative of the Department of Health and Mental Hygiene;

(iii) one representative of the Department of Human Resources, who shall have the ability to evaluate the fiscal impact on the State budget and State programs of the recommendations of the Task Force;

(iv) one representative of the Child Care Administration;

(v) one representative of the Department of Economic and Employment Development;

(vi) one representative from the Early Learning Section of the State Department of Education;

(vii) one representative of the Head Start Program;

(viii) one representative of the Maryland Committee for Children;

(ix) one representative of the Maryland Congress of Parents and Teachers, Incorporated;

(x) one representative of the Maryland Child Care Resource Network of the Maryland Commission for Children;

(xi) one representative of an independent child care provider;

(xii) one employed parent;

(xiii) one representative from a 4-year college;

(xiv) one representative from a 2-year college;

(xv) one prekindergarten teacher;

(xvi) one representative of a nonpublic cooperative school;

(xvii) one representative of the Department of Community Services of County Government;

(xviii) one representative of the Maryland Family Day Care Association;

(xix) one representative of the Maryland Child Care Association;

(xx) one representative of a local government that has completed a study of issues related to the compensation levels of employees of child care centers; and

(xxi) one representative of the Maryland Association for the Education of Young Children.

(c) *Geographically diverse representation; chairman.* — (1) In appointing members to the Task Force, the Governor shall, to the extent possible, appoint members representing geographically diverse jurisdictions across the State.

(2) The Governor shall designate the chairman of the Task Force.

(d) *Staff.* — The Office for Children, Youth, and Families shall provide staff to the Task Force.

(e) *Compensation; expenses.* — A member of the Task Force may not receive compensation but is entitled to reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.



**(f) Duties. — The Task Force shall:**

- (1) study available information on:
- (i) barriers and solutions to improving the salary and compensation levels of licensed child care providers;
  - (ii) methods to educate parents on the need to have licensed child care providers;
  - (iii) the amount the State pays to purchase care for eligible children; and
  - (iv) the compensation levels of employees of child day care centers, including:
    - 1. child care workers;
    - 2. assistants
    - 3. teachers; and
    - 4. directors;

(2) review current State and federal policies that support adequate compensation of child care providers;

(3) make legislative recommendations; and

(4) prepare a report summarizing its findings and recommendations.

**(g) Submission of findings and recommendations. —** The Task Force shall submit its findings and recommendations to the Governor, and, subject to § 2-1312 of the State Government Article, the General Assembly on or before June 30, 1996. (1994, ch. 178.)

Editor's note. — Section 2, ch. 178, Acts 1994, provides that the act shall take effect Oct. 1, 1994.

